

Mobix Corp. & Dreambed Co, Ltd.1594th Commissioners' Meeting (2022)

Case: Mobix Corporation violated the Fair Trade Law for using the product information of another company illegally to increase its website visit rate by specifically designed web page program

Keyword(s): Program design, search result, website visit rate

Reference: Fair Trade Commission Decision of April 12, 2022 (the 1594th Commissioners' Meeting); Disposition Kung Ch'u Tzu No.111019

Industry: Retail Sale via Mail Order House or via Internet (4871)

Relevant Law(s): Article 25 of the Fair Trade Law

Summary:

1. "Joy Dream" was the registered trademark of the informant. Its "Joy Dream mattresses" were not marketed on any eCommerce platform. However, when the informant entered "Joy Dream" as the keyword on Google, one search result was pcone.com., a shopping website managed by Mobix Corporation (hereinafter referred to as "the accused"). Moreover, the heading of the webpage displayed the text of "Best-selling Joy Dream mattresses recommended through word of mouth – pcone.com." The conduct was suspected to be in violation of the Fair Trade Law.

2. Findings of the FTC after investigation:

The accused has used the product information of another company illegally to increase its website visit rate by specifically designed its webpage program and neglected that the information was inconsistent with the fact. Through the specifically designed webpage program, the webpage appearing after an online search showed the text of "The best-selling XXX mattresses recommended through word of mouth – pcone.com," "The best-selling XXX mattresses recommended through word of mouth – pcone.com.," "Looking for XXX? We recommend the super special offer XXX. The ratings are open and transparent; you will be totally satisfied. Shipment is fast and you can ask for a refund after a 7-day trial period; there is no burden", "XXX – pcone.com." and "Net users are all saying XXX is really worth buying. It is one of the best buys in 2021 recommended by pcone.com."

3. Grounds for disposition:

(1) Taking advantage of its knowledge of search engine operation, the accused specifically adopted the heading and featured snippets to adjust the content of its website to assure the high ranking of its website in search

results. The accused admitted that it had specifically designed its webpage program to achieve the outcome as well as determined and edited the aforesaid wording, and used the keyword replacement function on some of the words on the webpage.

- (2) Joy Dream mattresses were not marketed on the website of the accused. However, the aforementioned program design resulted in the display of the wording of “The best-selling XXX mattress recommended through word of mouth – pcone.com.”, “The best-selling XXX mattresses recommended through word of mouth – pcone.com” , “Looking for XXX? We recommend the super special offer XXX. The ratings are open and transparent; you will be totally satisfied. Shipment is fast and you can ask for a refund after a 7-day trial period; there is no burden”, “XXX – pcone.com” and “Net users have all said XXX is really worth buying,” on the webpage popping up right after an online search. It gave consumers the wrong impression that they could purchase Joy Dream mattresses on pcone.com. As a consequence, consumers and potential customers clicked on the link and entered the pcone shopping website, and the website visit rate was increased.
- (3) The webpage program design of the accused could cause search engines to present web pages that carried wrong information. However, the accused had no intention to assure the authenticity and completeness of the webpage heading and content. It allowed errors to happen at any time because potential transaction opportunities brought by increased website visits were the only thing that mattered to it. The practice resulted in consumers’ waste of time whereas it also led to unfair competition to businesses really selling the products and other shopping websites. It was obviously unfair.
- (4) Data provided by the accused showed that a large percentage of the traffic on pcone.com. had come from the Google search engine and a considerable percentage of the traffic had actually brought in business income. It indicated that, under the high-level correlation between website traffic and transaction volume, the accused only pursued increase of website traffic and allowed the inappropriate effect of the erroneous webpage content to externalize. Obviously, the trading order in the eCommerce market was already affected.
- (5) The accused used the product information of another business inappropriately through its program design and therefore increase visits to its own website where the information displayed was inconsistent with the fact. The practice was obviously unfair conduct able to affect trading order and in violation of Article 25 of the Fair Trade Law. Therefore, the FTC imposed an administrative fine of NT\$800,000 on Mobix Corporation.

Appendix:

Mobix Corp.'s Uniform Invoice Number: 43455509

Dreambed Co, Ltd.'s Uniform Invoice Number: 53184409

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